
JOINT MEETING – BOARD OF SELECTMEN & FINANCE COMMITTEE
FEBRUARY 24, 2014

I. Call to Order/Roll Call:

Chairman Vispoli called the Joint Meeting of the Board of Selectmen and Finance Committee to order at 7:08 P.M. in the Selectmen's Conference Room at the Town Offices. Roll call: Chairman Vispoli-Y and Selectmen Paul Salafia-Y, Brian Major-Y, Mary Lyman-Y, Dan Kowalski-Y.

Finance Committee Chairman S. Jon Stumpf opened the meeting for the Finance Committee. Present: Chairman Stumpf-Y and members Joanne Marden-Y, Paul Fortier-Y, Margaret Kruse-Y, Linn Anderson-Y, Eugenie Moffitt-Y, John Barry, Jr.-Y.

Also present: Town Manager Buzz Stapczynski, Assistant Town Manager Steve Bucuzzo, Town Clerk Larry Murphy and Finance Director Donna Walsh. The meeting was duly posted and cable-cast live.

II. Opening Ceremonies

Chairman Vispoli led the members in a Moment of Silence followed by the Pledge of Allegiance.

III. FY-2015 Budget Presentations

Shared Costs, Obligations and Debt

The Town Manger gave a slide presentation of the FY-2015 Shared Costs, Obligations, and Debt showing a total increase of 9.2% for FY-2015.

	<u>FY-2014-Budget</u>	<u>FY-2015 TM Rec Budget</u>
Tech Schools	\$ 314,244	\$ 513,508
General Insurance	\$ 680,653	\$ 714,616
Unemployment	\$ 200,000	\$ 200,000
OPEB Fund	\$ 325,000	\$ 400,000
Retirement	\$ 5,935,944	\$ 6,412,115
Health Insurance	\$14,000,000	\$14,560,000
Debt Service	<u>\$13,035,323</u>	<u>\$14,915,971</u>
Total	\$34,491,164	\$37,666,280

Technical Schools: Includes tuition for Andover students attending the Greater Lawrence Technical School and the Essex North Shore Agricultural and Technical School.

General Insurance:	Covers general insurance and workman's compensation and is a reasonable budgeted number based on historical trends.
Unemployment Comp:	Andover is self-insured and there is a two-year look-back on the Town's payment portion of compensation.
OPEB:	The goal is to appropriate \$1.5M for OPEB with \$400K from Town money, \$100K from Water/Sewer Enterprise, and \$1M from Free Cash. The consultant from Segal will be asked to provide a detail overview for the Boards.
Retirement:	PERAC sets the amount to be appropriated for the Town based on January 1 key data. Upon receiving results of the audit this Summer, the number will be adjusted based on several factors. The Housing Authority is billed separately.
Health Insurance:	Health insurance rate increase is projected at 5% for FY-15 premiums. The breakdown of subscribers currently shows 1,438. If the retired teachers are brought over to the Town Health Insurance Plan, the budget number will increase but there will be a decrease in assessment. Health insurance went out to bid and there were three qualifying bids received that are being analyzed. They expect to have more information to share by mid-March.
Debt Service:	This is the appropriation for the Town's annual principal and interest costs associated with various capital construction projects that are funded by the issuance of tax-exempt bonds. Water and Sewer Enterprise pays for its own debt service from user fees and betterments.

The next Joint Meeting is scheduled for Saturday, March 1st at 9:00 A.M. in Memorial Hall at the Memorial Hall Library and Saturday, March 8th at 9:00 A.M. in the Selectmen's conference room at the Town Offices.

IV. Adjournment

At 8:06 P.M. on a motion by Selectman Lyman, seconded by Selectman Kowalski, the Selectmen voted 5-0 to adjourn from Joint Meeting and moved to Regular Session.

On a motion by Margaret Kruse, seconded by Eugenie Moffitt, the Finance Committee voted to adjourn from the Joint Meeting and to return to their Regular Finance Committee Meeting. The vote was unanimous.

Respectfully submitted,

Dee DeLorenzo, Recording Secretary